

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2000**

Coshocton, Ohio, January 17, 2001 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$347,000, or \$.21 basic and diluted earnings per share, for the quarter ended December 31, 2000 compared to net income of \$249,000, or \$.15 basic and \$.14 diluted earnings per share, for the quarter ended December 31, 1999, an increase of \$98,000, or 39.4%.

The increase in earnings for the quarter ended December 31, 2000 compared with December 31 1999, was primarily attributable to increases in net interest income of \$148,000 and noninterest income of \$14,000, partially offset by increases in noninterest expense of \$23,000 and income tax expense of \$57,000.

The increase in net interest income was primarily due to an increase in average earning assets and an increase in net interest margin. The net interest margin for the three months ended December 31, 2000 was 4.08% compared to 3.97% for the three months ended December 31, 1999.

Return on average equity and return on average assets for the six months ended December 31, 2000 were 6.92% and 1.17%, respectively. The book value of HLFC's common stock was \$10.96 per share as of December 31, 2000 compared to \$9.91 per share as of December 31, 1999, an increase of \$1.05, or 10.6%.

Total assets at December 31, 2000 were \$120.5 million compared to June 30, 2000 assets of \$113.7 million, an increase of \$6.8 million, or 6.0%. The increase in total assets was primarily in loans, which increased \$6.6 million. Total deposits at December 31, 2000 were \$68.4 million compared to June 30, 2000 deposits of \$64.9 million, an increase of \$3.5 million, or 5.4%. Total equity at December 31, 2000 was \$20.1 million compared to \$19.4 million at June 30, 2000.

Home Loan Financial Corporation and The Home Loan Savings Bank are headquartered at 401 Main Street, Coshocton, Ohio 43812. The Bank has two offices in Coshocton, Ohio and a branch in West Lafayette, Ohio.

HOME LOAN FINANCIAL CORPORATION
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<u>December 31, 2000</u>	<u>June 30, 2000</u>
ASSETS		
Cash and cash equivalents	\$ 2,726,421	\$ 2,236,265
Securities available for sale	3,495,175	3,417,675
Mortgage-backed securities available for sale	18,341,141	18,422,861
Federal Home Loan Bank stock	1,623,500	1,564,100
Loans, net	92,423,377	85,852,772
Premises and equipment	1,109,308	1,148,897
Accrued interest receivable	616,637	585,128
Other assets	183,973	503,150
Total assets	<u>\$120,519,532</u>	<u>\$113,730,848</u>
LIABILITIES		
Deposits	\$ 68,443,939	\$ 64,951,022
Federal Home Loan Bank advances	31,125,000	28,625,000
Accrued interest payable	566,477	447,463
Accrued expenses and other liabilities	317,257	258,755
Total liabilities	100,452,673	94,282,240
SHAREHOLDERS' EQUITY		
Preferred stock, no par value, 500,000 shares authorized, none outstanding	--	--
Common stock, no par value, 9,500,000 shares authorized, 2,248,250 shares issued	--	--
Additional paid-in capital	14,083,151	14,083,151
Retained earnings-substantially restricted	12,969,983	12,665,932
Unearned employee stock ownership plan shares	(1,746,325)	(1,873,155)
Unearned recognition and retention plan shares	(733,265)	(832,265)
Treasury stock, at cost – 417,037 shares at December 31, 2000 and 353,657 shares at June 30, 2000	(4,447,839)	(3,989,862)
Accumulated other comprehensive income	(58,846)	(605,193)
Total shareholders' equity	<u>20,066,859</u>	<u>19,448,608</u>
Total liabilities and shareholders' equity	<u>\$120,519,532</u>	<u>\$113,730,848</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Total interest income	\$2,391,864	\$2,027,527	\$4,705,095	\$4,027,577
Total interest expense	<u>1,219,855</u>	<u>1,003,891</u>	<u>2,378,841</u>	<u>1,950,990</u>
Net interest income	1,172,009	1,023,636	2,326,254	2,076,587
Provision for loan losses	<u>15,000</u>	<u>30,000</u>	<u>30,000</u>	<u>60,000</u>
Net interest income after provision for loan losses	1,157,009	993,636	2,296,254	2,016,587
Total noninterest income	86,949	72,770	155,844	130,155
Total noninterest expense	<u>699,555</u>	<u>676,803</u>	<u>1,377,401</u>	<u>1,334,907</u>
Income before income tax expense	544,403	389,603	1,074,697	811,835
Income tax expense	<u>197,200</u>	<u>140,500</u>	<u>391,500</u>	<u>306,800</u>
Net income	<u>\$ 347,203</u>	<u>\$ 249,103</u>	<u>\$ 683,197</u>	<u>\$ 505,035</u>
Basic earnings per share	<u>\$.21</u>	<u>\$.15</u>	<u>\$.42</u>	<u>\$.29</u>
Diluted earnings per share	<u>\$.21</u>	<u>\$.14</u>	<u>\$.42</u>	<u>\$.29</u>

KEY OPERATING RATIOS

	As of or For The		As of or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Net interest margin	4.08%	3.97%	4.10%	4.05%
Return on average assets	1.17%	0.94%	1.17%	0.96%
Return on average equity	6.97%	5.06%	6.92%	5.10%
Total equity to total assets	16.65%	17.81%	16.65%	17.81%
Common shares outstanding	1,831,213	1,961,245	1,831,213	1,961,245
Book value per share	\$10.96	\$9.91	\$10.96	\$9.91
Nonperforming assets to Total assets	0.24%	0.07%	0.24%	0.07%

